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SUBJECT: BURKINA FASO,S TRADE UNIONS PROTEST COMMUNAL TAX,
TO STAGE STRIKE AND HOLD DEMONSTRATIONS ON FEBRUARY 24.

¶1. SUMMARY: Trade unions and independent syndicates have called for a nationwide strikes and demonstrations on February 24th to protest the application of a so-called "Communal Development Tax." Unions believe that this tax is unfair, unpopular and anti-social, and insist that the government repeal it. The government says it needs this additional income to assist with various development projects in rural areas and to speed up decentralization. The protests, which are authorized by the local government, are expected to be peaceful. END SUMMARY.

¶2. In 1994, the government lifted the registration tax for cars and motorcycles. While this measure was very popular it cost the government significant loss of revenue. As a result, the government has decided to remedy this, at least in part, by calling for communal tax on vehicles. The Communal Development Tax (Taxe de Development Communal or TDC), established by the 2008 Finance law, was not immediately implemented by the government because of a hostile social climate principally linked to steep cost-of-living increases and high staple food prices. This year however the government announced that it would implement the TDC and that any person not paying the tax would have his/her vehicle impounded on the spot. The tax will become effective on March 31st 2010 for all vehicles currently registered, and one month after the purchase of any other vehicle.

¶3. How much does the communal tax represent and where will it go?

The level of taxation is determined by one of three factors, horsepower, weight or cylinders:

-- Category one: the horsepower on tractors, mini-vans and cars
8 CV about \$15 / 9-15 CV about \$20 / 16-20 CV about \$40 /
More than 20 CV: about \$60

-- Category two: the weight of trucks (and cargo)
Less than 2.5 metric tons about \$40 / 2.5-5 tons about \$60 /
more than 50 tons about \$100

-- Category three: the cylinders of two or three-wheeled vehicles.
50 m2 about \$2 / 51-125 m2 about \$4 / 126-300 m2 about \$10 /
more than 300 M2 about \$15

Government authorities have announced that 40 percent of the taxes levied by the TDC will go directly to the region ("commune") where the vehicle is registered and where the tax is paid, the remaining 60 percent will be deposited into a common "solidarity account" to be redistributed across Burkina Faso. The aim is to accelerate and reinforce

decentralization by allowing regions to manage their own budgets.

¶4. The trade unions are opposed to this tax for three major reasons including; it represents a double tax on the same product; perceived unfairness; and a continued decrease in the overall standard of living. The unions believe that a 1994 single tax on petroleum products (Taxe Unique sur les Produits Pétroliers or TUPP) already covers most of what the Communal Development Tax proposes to do. The feeling is that this is an unfair double tax. The anti-tax proponents also believe that this tax will affect poor populations much more so than the affluent ones who can easily absorb an addition imposition. Finally the standard of living across Burkina Faso is still very low, and so any additional tax, according to the unions, will hurt people financially and potentially deprive them of income for other basic or important needs.

¶5. The organizers of the strike applied for a demonstration permit. Town halls of the various cities within which the protests are to occur have granted a "license/authorization" for protest. The protests, scheduled to last about four hours (0800-1200), are expected to be orderly and peaceful. National unions and civil society organizations will participate. To ensure protester security and to make sure the march remains calm, police will be present and will block roads in and around the protest route.

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